

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF OIL & GAS

SEAN PARNELL, GOVERNOR

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STATE OF ALASKA NOTICE OF APPLICATION FOR APPROVAL OF THE FORMATION OF THE QUGRUK UNIT

The Department of Natural Resources gives notice under 11 AAC 83.311 of an application for approval of the Formation of the Qugruk Unit. The proposed Qugruk Unit is located on the North Slope of Alaska within the Colville Delta and shallow waters of Harrison Bay, north and west of the Oooguruk Unit, and north and east of the Colville River Unit. The northern limit boundary of the proposed unit is defined by the boundary between State waters and the Federal Outer Continental Shelf waters. Repsol E&P USA Inc. (Repsol), the proposed Qugruk Unit Operator, filed an application to form the Qugruk Unit with the Division of Oil and Gas which was deemed complete on October 24, 2011. Repsol's address is 2001 Timberloch Place, Suite 3000, The Woodlands, Texas 77380.

The proposed Qugruk Unit area covers approximately 98,852 acres within 49 State of Alaska leases and includes all or portions of the following lands:

Umiat Meridian, Alaska

Township 11 North, Range 6 East, Sections 5-8, and 17-20;

Township 12 North, Range 6 East, All;

Township 13 North, Range 4 East, Sections 1-24, and 26-32;

Township 13 North, Range 5 East, Sections 1-8, 11-14, and 23-25;

Township 13 North, Range 6 East, All;

Township 14 North, Range 4 East, Sections 31 and 32;

Township 14 North, Range 5 East, Sections 24-28, and 32-36;

Township 14 North, Range 6 East, Sections 19-36;

Township 14 North, Range 7 East, Sections 1-3, and 9-20;

Township 15 North, Range 7 East, Sections 35 and 36;

In accordance with 11 AAC 83.356, geological, geophysical, and engineering information were submitted in support of the application to form the Qugruk Unit. The application will be approved if consistent with 11 AAC 83.303 and other applicable statutes and regulations.

You may review the non-confidential portions of the application at the Division of Oil and Gas, Units Section, 550 West 7th Avenue, Suite 1100, Anchorage, Alaska. Copies of the non-confidential portions of the application are available by writing the Division of Oil and Gas, Units

Section, 550 West 7th Avenue, Suite 1100, Anchorage, Alaska 99501-3560. The department charges a photocopy fee of \$.25 per sheet. 11 AAC 05.010 (a)(16)(c).

Any person may file written comments on the application. Comments must be received by **5:00 PM Alaska Standard Time, Monday, November 28, 2011**, and should be mailed to the Division of Oil and Gas, at the above address, to the attention of Temple Davidson, Units Section. The department will review and consider all timely written comments before a decision is made. The Commissioner will approve or disapprove the proposed unit formation application considering the criteria in 11 AAC 83.303 within 60 days after the close of the comment period. Individuals or groups of people with disabilities, who require special accommodations, auxiliary aids or services, or alternative communication formats, please contact Celeste Hayes at (907) 296-8507, or TDD (907) 269-8411(5 days before end of comment period).

A handwritten signature in black ink, appearing to read 'W.C. Barron', with a stylized flourish at the end.

W.C. Barron, Director
Division of Oil and Gas

October 24, 2011